



Appendix E

RATES AND CHARGES ANALYSIS

**Due to the size and volume of the
Rates and Charges Analysis Study
for Avra Valley Airport,
only the initial six pages, including the
Report Cover Sheet, is included in Appendix E.
The balance of this report may be reviewed upon
request by contacting Pima County at
(520) 740-6449.**

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RATES AND CHARGES ANALYSIS

OF LAND AND IMPROVEMENTS LOCATED AT
AVRA VALLEY AIRPORT

ALL BEING IN AN UNINCORPORATED AREA OF
PIMA COUNTY, ARIZONA

FOR

MR. JIM HARRIS
COFFMAN & ASSOCIATES

BY

BRUCE D. GREENBERG, MAI, SRA, ASA

SUZANNE WHITTAKER
ASSOCIATE APPRAISER

BRUCE D. GREENBERG, INC.
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AS OF

June 22, 1999
OUR JOB NUMBER 7590-99

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Our File Number 7590-99
July 8, 1999

Mr. Jim Harris
Coffman & Associates
11022 North 28th Drive
Phoenix, Arizona 85029

Dear Mr. Harris:

At your request we have prepared a complete self contained rates and charges analysis of the 10 parcels of airport property located within the Avra Valley Airport proper, Pima County, Arizona, herein referred to as the subject properties. These multi-parcel properties will be further identified within this report.

This report will address the market rent for a total of 10 subject properties which are encompass two groups. The first group of holdings is comprised of 6 separate and individual parcels of land, four of which are contiguous, have a unity of title and use, however are being valued separately at the request of the client, and one of which includes the T-hangar improvements. Two of these properties do not currently have legal taxiway/runway access. At the request of the client, these sites are being valued assuming they do have physical and legal taxiway/runway access.

The second group of holdings are "typical" 1, 5, 10 & 15 acre tracts with taxiway access. These tracts are not specific and are hypothetical properties within the airport proper which have legal access to the airport taxiway/runway system. These hypothetical tracts of land will be identified as subject parcels A through D.

The subject parcels are identified as follows:

<u>SUBJECT PARCEL #:</u>	<u>LOCATION</u>	<u>SIZE IN ACRES/S.F.</u>
I	North side Avra Valley Road, South of runway system	26.4 1,149,984 ±
II	West side of west taxiway, west of runway system	10.0 435,600 ±

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Bruce D. Greenberg, MAI, SRA, ASA
State Certified General Real Estate Appraiser
Certificate No. 30031

<u>SUBJECT PARCEL #:</u>	<u>LOCATION</u>	<u>SIZE IN ACRES/S.F.</u>
III	North side of Avra Valley Road, south of runway system	7.91 344,560±
IV	Near the northwest end of Runway 12/30	5.0 217,800±
V	West of the west taxiway, west of runway system.	2.51 109,336±
VI	Balance of remaining developable land west of runway/taxiway system.	74.85.0± 3,260,466±
A	Hypothetical taxiway access site	1.0 43,560
B	Hypothetical taxiway access site	5.0 217,800
C	Hypothetical taxiway access site	10.0 435,600
D	Hypothetical taxiway access site	15.0 653,400

The purpose of this self contained report is to establish the estimated market rent for the above noted subject properties in fee simple interest. The function of this report is to provide a rates and charges analysis to the client, Coffman Associates, in connection with the Avra Valley Airport Masterplan Update.

The interest to be appraised is the fee simple estate, defined by the Dictionary of Real Estate Appraisal, Third Edition, as; "...absolute ownership unencumbered by any other interest or estate; subject only to the limitations of public domain, escheat, police power, and taxation." Subject Parcels I through V are currently leased resulting in leasehold and leased fee interests. The purpose of this assignment is to estimate the market rent for the subject parcels free and clear of the existing leases. Therefore, the leasehold and leased fee interests are not being considered within this analysis.

Some of the subject properties are improved with hangars and other airport related structures. With the exception of the 3 T-hangar buildings on Subject Parcel I, this

is a fractional appraisal as to land value only and does not address or consider the estimated rental value of the improvements.

As utilized in this report, market rent is hereby defined as:

The rental income that a property would most probably command in the open market; indicated by the current rents paid and asked for comparable space as of the date of the appraisal.

Source: The Dictionary of Real Estate Appraisal, Third Edition, Appraisal Institute

Based upon the facts and analysis contained in this report, the following is indicated as of June 22, 1999:

ESTIMATED ANNUAL MARKET RENT FOR SUBJECT PARCEL I \$123,350
(1,049,796 usable square feet times \$0.06 per square foot equals \$63,000
rounded plus hangar rent of \$60,350 equals \$123,350 for the entire parcel)

ESTIMATED ANNUAL MARKET RENT FOR SUBJECT PARCEL II \$30,500
(435,600 square feet times \$0.07 per square foot equals \$30,500 rounded)

ESTIMATED ANNUAL MARKET RENT FOR SUBJECT PARCEL III \$20,700
(344,560 square feet times \$0.07 per square foot equals \$20,700 rounded)

ESTIMATED ANNUAL MARKET RENT FOR SUBJECT PARCEL IV \$15,250
(217,800 square feet times \$0.07 per square foot equals \$15,250 rounded)

ESTIMATED ANNUAL MARKET RENT FOR SUBJECT PARCEL V \$9,800
(109,336 square feet times \$0.09 per square foot equals \$9,800 rounded)

ESTIMATED ANNUAL MARKET RENT FOR SUBJECT PARCEL VI \$98,000
(3,260,466 square feet times \$0.03 per square foot equals \$98,000 rounded)

ESTIMATED ANNUAL MARKET RENT FOR SUBJECT PARCEL A \$4,400
(43,560 square feet times \$0.10 per square foot equals \$4,400 rounded)

ESTIMATED ANNUAL MARKET RENT FOR SUBJECT PARCEL B \$15,200
(217,800 square feet times \$0.07 per square foot equals \$15,200 rounded)

ESTIMATED ANNUAL MARKET RENT FOR SUBJECT PARCEL C \$30,500
(435,600 square feet times \$0.07 per square foot equals \$30,500 rounded)

ESTIMATED ANNUAL MARKET RENT FOR SUBJECT PARCEL D \$39,200
(653,400 square feet times \$0.06 per square foot equals \$39,200 rounded)

In addition to the general assumptions and limiting conditions attached hereto, the value estimates are subject to the following specific assumptions and limiting conditions:

- 1) The site sizes of the subject properties provided by the client are correct and reliable;
- 2) These appraisers were not provided with any environmental and/or land use history studies for the subject properties. The existence of hazardous material has been considered; however, we are not qualified to detect such substances or materials. We assume that no such materials adversely affect the utility, usability, or developability of the subject sites;
- 3) No Title Report was provided to these appraisers, therefore, for the purpose of assignment, we have assumed that there are no easements, CC&R's, encroachments, or other matters recorded against or affecting the subject parcels which would be considered a detriment to the utility or leasability of the subject sites;
- 4) Some of the subject properties are improved with hangars and other airport related structures. With the exception of the 3 T-hangar buildings on Subject Parcel I, this is a fractional appraisal as to land value only and does not address or consider the estimated rental value of the improvements;
- 5) The interest to be appraised is the fee simple estate, defined by the Dictionary of Real Estate Appraisal, Third Edition, as; "...absolute ownership unencumbered by any other interest or estate; subject only to the limitations of public domain, escheat, police power, and taxation." Subject Parcels I through V are currently leased resulting in leasehold and leased fee interests. The purpose of this assignment is to estimate the market rent for the subject parcels free and clear of the existing leases. Therefore, the leasehold and leased fee interests are not being considered within this analysis; and,
- 6) Subject Parcels IV and V do not currently have legal taxiway/runway access. At the request of the client these parcels are being valued as if they do have physical legal taxiway/runway access. Due to this factor, we are invoking the Departure Rule of the Uniform Standards of Appraisal Practice since we are valuing these parcels assuming they have taxiway/runway access.

July 8, 1999

CHANGES IN ANY OF THE ABOVE CONDITIONS MAY AFFECT THE VALUE ESTIMATION OF THE SUBJECT PARCELS. WE RESERVE THE RIGHT TO RE-APPRAISE THE SUBJECT PARCELS IN THE EVENT ANY OF THE ABOVE CONDITIONS CHANGE FOR AN ADDITIONAL FEE.

This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute and the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice by the Appraisal Foundation, and meets or exceeds the standard of performance outlined in Rule 2-2B, of USPAP.

We hereby certify that Bruce D. Greenberg and Suzanne Whittaker have inspected the subject properties; that our fee was not contingent upon the value estimate contained herein; that we have no interest, present or prospective, in the property appraised. Furthermore, we certify that, to the best of our knowledge and belief, all statements and opinions contained in this report are correct, subject to the assumptions, limiting conditions and certification which are made a part of this report.

Your attention is directed to the data and discussions contained within this report and to the exhibits, which are pertinent.

Respectfully submitted,



BRUCE D. GREENBERG, MAI, SRA, ASA
State of Arizona Certified General
Real Estate Appraiser
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